

THE SCHOOL ADMINISTRATOR

and Uniform Compliance Guidelines
ISSUED BY STATE BOARD OF ACCOUNTS

Volume 163

September 2003

ITEMS TO REMEMBER

Per Volume 162, June 2003 "The School Administrator and Uniform Compliance Guidelines", August 31 is the last date for the first publication of a school corporation budget (10 days prior to the public hearing). (IC 6-1.1-17-3)

SEPTEMBER

- September 1: Prove the Fund Ledger and Ledger of Receipts for the month of August to the control of all funds and reconcile the control with the depository statement. Prove all receipt accounts for each fund to total receipts for that fund. Prove the Ledger of Appropriations, Allotments, Encumbrances, Disbursements, and Balances to the total disbursements of the control account of the Fund Ledger. Prove all expenditure accounts within each program to the total disbursements of that program.
- September 1: Legal Holiday - Labor Day. (IC 1-1-9-1)
- September 7: Last date for second publication of school corporation budgets (3 days before the public hearing). (IC 5-3-1-2)
- September 8-
September 26: The count for Average Daily Attendance (ADA) count shall be taken between these dates.
- September 10: Last date for public hearing on proposed budget (at least 10 days prior to the adoption of the budget). Ten (10) or more taxpayers may object to a budget, tax rate, or tax levy by filing an objection petition with the proper officers of the political subdivision not more than seven (7) days after the hearing. (IC 6-1.1-17-5)
- September 12: The count for Average Daily Membership (ADM) shall be taken. (511 IAC 1-3-1)
- September 19: Last date to file appeals for an excessive tax levy. (IC 6-1.1-18.5-12)
- September 20: Last day to report and make payment of state and county income tax withheld during August to the Department of State Revenue, Indiana Government Center North, Indianapolis. (Please review Volume 140, December 1997, of "The School Administrator and Uniform Compliance Guidelines.")

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- September 20: Last date for meeting of School Board to make appropriations for 2004 and to fix tax levies. (IC 6-1.1-17-5) Also last date to conduct a public hearing and to pass a resolution to adopt Capital Projects Fund and Transportation - School Bus Replacement Fund Plans. (IC 21-2-11.5 and IC 21-2-15)
- September 22: Meeting of County Tax Adjustment Board is September 22, 2003. If September 22 is not a business day, then the last date for the first meeting is the first business day following September 22. (IC 6-1.1-29-4)
- September 26: ADM report due on or before September 26. (511 IAC 1-3-2) All data on Form 30A must be submitted directly into the Department of Education Database via the internet at www.doe.state.in.us. A copy must be printed, signed and mailed to the Department of Education, Division of School Finance.

OCTOBER

- October 1: On or before October 1 all duties of the County Board of Tax Adjustment must be completed, except for a consolidated city and county and in a county containing a second class city, these duties need not be completed until November 1. (IC 6-1.1-17-9) IC 6-1.1-17-12 provides for a notice procedure by the county auditor and an appeal procedure.
- October 1: Prove all ledgers for the month ending September 30 as outlined for the month of August.
- October 10: Form 30B, Report of ADA for State Support is due in the Department of Education, Division of School Finance. All data will be required to be entered directly into the Department of Education Database via the internet on or before October 10, 2003 at www.doe.state.in.us. A copy must be printed, signed, and mailed to the Department of Education, Division of School Finance.
- October 13: Legal Holiday - Columbus Day. (IC 1-1-9-1)
- October 20: Last day to report and make payment of state and county income tax withheld during September to the Department of State Revenue, Indiana Government Center North, Indianapolis. (Please review Volume 140, December 1997 of "The School Administrator and Uniform Compliance Guidelines.")
- October 31: Last day to file third quarter report with the Internal Revenue Service and complete payment of federal tax withheld.
- October 31: Requests for textbook reimbursement must be received by the Department of Education, Division of School Finance before November 1. The information is required to be filed via electronic reporting per instructions provided by the Division of School Finance.

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NOVEMBER

- November 1: Prove all ledgers for the month ending October 31 as outlined for the month of August.
- November 4: Legal Holiday – Election Day (IC 1-1-9-1)
- November 11: Legal Holiday – Veterans' Day. (IC 1-1-9-1)
- November 20: Last day to report and make payment of state and county income tax withheld during October to the Department of State Revenue, Indiana Government Center North, Indianapolis. (Please review Volume 140, December 1997 of "The School Administrator and Uniform Compliance Guidelines.")
- November 27: Legal Holiday - Thanksgiving Day. (IC 1-1-9-1)
- November 30: On or before June 1 and December 1 of each year (or more frequently if the County Legislative Body adopts an ordinance requiring additional certifications) the School Corporation shall certify a list of the names and addresses of each person who has money due from the School Corporation to the County Treasurer. (IC 6-1.1-22-14)

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TEXTBOOK STORAGE AND DISPOSAL

Each public elementary and secondary school shall provide storage for at least three (3) months for all textbooks on hand that are no longer required or in use in the school corporation. Each school corporation may, however, sell or otherwise convey these textbooks to another school corporation at any time during the period of required storage. Upon a written determination by the governing body of a school corporation that any textbooks are no longer scheduled for use in the school corporation, the governing body may sell, exchange, transfer, or otherwise convey the textbooks in the manner determined suitable by the governing body. However, in order to mutilate or otherwise destroy the textbooks, the governing body must first comply with IC 20-10.1-10-3(b); IC 20-10.1-10-4 and IC 20-10.1-10-5. (IC 20-10.1-10-3)

Each school corporation shall compile a list of those textbooks in storage, including the names of the publisher and the number of volumes being stored. The list shall be mailed to the Department of Education where a master list of all textbooks being stored by the school corporations in Indiana shall be maintained. Upon request, the State Superintendent shall mail to any inquiring not-for-profit corporation or institution located in Indiana a list of textbooks available for their access. These corporations or institutions may acquire the necessary textbooks from the appropriate school corporation by paying only the cost of shipping and mailing. (IC 20-10.1-10.4)

Textbooks being stored for at least three months as required by the law may not be mutilated or destroyed and shall be maintained and stored according to regulations prescribed by local and state health authorities. Textbooks which have not been requested after at least three (3) months may be mutilated, destroyed or otherwise disposed of by the school corporation. (IC 20-10.1-10-5)

RECORD OF HOURS WORKED

IC 5-11-9-4(b) states in part, "...records be maintained showing which hours were worked each day by officers and employees...employed...in more than one (1) position by the same public agency..."

The requirement may be accomplished by preparing an endorsement on the payroll claim form showing the general work schedule and listing those specific employees who worked hours different from that general work schedule. Each administrator, department head, or other person responsible for employees' attendance at a work station or for forwarding such information to the payroll department will be responsible for preparing such endorsement on the payroll claim for his or her office, department, cost center, school or other work attendance area.

Another alternative is to add a statement on each Employee's Service Record, General Form 99A (1985) and/or Employee's Earnings Record, General Form 99B (1993) indicating the hours to be worked daily by that employee or official.

Please continue using your current payroll claim, service record and earnings record forms with the foregoing suggested additions.

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OPENING OF BIDS BY A COMMITTEE

The Public Purchase Law, IC 5-22-1-1 et seq. and the Public Work Law, IC 36-1-12-1 et seq., both require the preparation of specifications, publication of a legal notice requesting bids for the designated purpose and publishing a time and place for opening of the bids received in required situations.

IC 20-5-3-5 provides that the governing body (board) of any school corporation may designate a committee of not less than two (2) of its members, or a committee of not less than two (2) employees of the school corporation, to open and tabulate bids in connection with the purchase of supplies, material or equipment, or for the construction or alteration of any building or facility, or for any similar purpose. Such bids may be opened by the designated committee at the time and place fixed by the advertisement for bids, shall be read aloud and tabulated publicly, to the extent required by law for governing bodies and shall be available for inspection. The bids shall be reported to, and tabulation entered upon the records of, the governing body at its next meeting following such bid opening. No bid shall be accepted or rejected by the committee, but such bid shall be accepted or rejected solely by the governing body in a board meeting open to the public as provided in IC 20-5-3-2.

AVERAGE DAILY MEMBERSHIP (ADM)

Recent audit reports continue to note that records to support Average Daily Membership (ADM) as reported to the Department of Education have not been retained in accordance with IC 5-15-1-1 et seq., the Preservation of Public Records Law.

IC 5-15-6-3(f) concerning destruction of public records, states in part: "Original records may be disposed of only with the approval of the commission according to guidelines established by the commission."

Officials should maintain records (enrollment cards, rosters, reporting forms, etc.) which substantiate the number of students claimed for ADM. The building level official (Principal, Assistant Principal, etc.) responsible for reporting ADM to the School Corporation Central Office, should provide a written certification of ADM to properly document responsibility. The certification should at a minimum include a statement detailing the names and location of the records used (these records must be retained for public inspection and audit) to substantiate ADM claimed.

DIGEST OF LAWS

Please be advised Public Law 86, House Enrolled Act 1465 as included in the School Administrator and Uniform Compliance Guidelines, June 2003, Volume 162A was intended only as an informational item for school corporations with security personnel also employed in other situations applicable to Public Law 86, 2003.

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GARNISHMENT OF SALARIES AND WAGES

IC 24-4.5-5-105 limits the maximum amount which may be subjected to garnishment and states in part, "(5) An employer who is required to make deductions from an individual's disposable earnings pursuant to a garnishment order or series of orders arising out of the same judgment debt (excluding a judgment for payment of child support) may collect, as a fee to compensate the employer for making these deductions, an amount equal to the greater of twelve dollars (\$12) or three percent (3%) of the total amount required to be deducted by the garnishment order or series of orders arising out of the same judgment debt. If the employer chooses to impose a fee, the fee shall be allocated as follows: (a) One-half (1/2) of the fee shall be borne by the debtor, and that amount may be deducted by the employer directly from the employee's disposable earnings. (b) One-half (1/2) of the fee shall be borne by the creditor, and that amount may be retained by the employer from the amount otherwise due the creditor. The deductions made under this subsection for a collection fee do not increase the amount of the judgment debt for which the fee is collected for the purpose of calculating or collecting judgment interest. This fee may be collected by an employer only once for each garnishment order or series of orders arising out of the same judgment debt. The employer may collect the entire fee from one (1) or more of the initial deductions from the employee's disposable earnings. Alternatively, the employer may collect the fee ratably over the number of pay periods during which deductions from the employee's disposable earnings are required. (6) The deduction of the garnishment collection fee under subsections (5)(a) or subsection (7) is not an assignment of wages under IC 22-2-6. (7) An employer who is required to make a deduction from an individual's disposable earnings in accordance with a judgment for payment of child support may collect a fee of two dollars (\$2) each time the employer is required to make the deduction. The fee may be deducted by the employer from the individual's disposable earnings each time the employer makes the deduction for support. If the employer elects to deduct such a fee, the amount to be deducted for the payment of support must be reduced accordingly if necessary to avoid exceeding the maximum amount permitted to be deducted under subsection (3). (8) A support withholding order takes priority over a garnishment order irrespective of their dates of entry or activation. If a person is subject to a support withholding order and a garnishment order, the garnishment order shall be honored only to the extent that disposable earnings withheld under the support withholding order do not exceed the maximum amount subject to garnishment as computed under subsection (2)."

OFFICE OF MANAGEMENT AND BUDGET CIRCULAR A-133 – DUNS NUMBERS

We understand DUNS stands for "data universal numbering system." DUNS numbers are issued by Dun and Bradstreet (D&B) and consist of nine digits. Some institutions will also have what is known as "DUNS + 4," which is used to identify specific units in that institution.

We have been informed by Ms. Sandra R. Swab of the Office of Management and Budget (OMB) that at some point OMB would be asking for all entities that receive federal grants to have DUNS numbers. Therefore we suggest that all School Corporations should obtain a DUNS number starting October 1.

A number of internet sites can provide some additional information including <http://www.neh.fed.us/grants/guidelines/duns.html>.

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RAINY DAY FUNDS

Page 1 of Official Opinion 2003-7 issued August 12, 2003 by the Attorney General states in part, "As you may be aware, two separate acts were passed during the 2003 legislative session which amended Section 36-1-8-5.1. First, Public Law 173-2003 (House Enrolled Act 1232) was signed by Governor O'Bannon on May 7, 2003. Subsequently, Public Law 267-2003 (Senate Enrolled Act 166) was signed by the Governor on May 8, 2003. Pursuant to the established rule of statutory construction, when two inconsistent acts are passed by the same session of the legislature, the more recently passed statute is controlling.¹ Therefore, because Public Law 267-2003 was passed subsequent to Public Law 173-2003, it is effective."

Additionally, the following is provided under the caption "BRIEF ANSWERS":

1. The sources of a rainy day fund established by a political subdivision are limited to funds raised by a general or special tax levy under Indiana Code Section 36-1-8-5, or supplemental distributions made by the Indiana Department of Revenue from various county accounts under Indiana Code Section 36-1-8-5.1(a)(2)-(4).
2. The fiscal body of a political subdivision is required to transfer the entire balance of an unused fund under Indiana Code Section 36-1-8-5 to either its general fund or a rainy day fund, but certain limitations apply. Per fiscal year, the amount transferred to a rainy day fund may not exceed ten percent (10%) of the political subdivision's total budget. The transfer may occur only when no other statute provides that the unused funds are to be transferred elsewhere.
3. The statutory reference to "ten percent (10%) of the political subdivision's total budget" in Indiana Code Section 36-1-8-5.1(c) indicates the capped amount a political subdivision may transfer into a rainy day fund (under Indiana Code Section 36-1-8-5) is ten percent (10%) of the total budget for all of the political subdivision's funds combined.
4. The reference to "intent" in Indiana Code Section 36-1-8-5.1(b) is a reference to the intent of the rainy day fund. Rainy day funds are intended to be used during times of economic downturn in order to stabilize a political subdivision's budget so that spending may be maintained without increasing taxes. Therefore, any appropriation consistent with that general intent would be proper.
5. Indiana Code Section 36-1-8-5(b) indicates that unused balances of funds may be transferred to the rainy day fund "unless a statute provides that it be transferred otherwise." Therefore, the original statute creating the fund from which the transfer may come is controlling as to any limitations or directions concerning the transfer of the unused funds. Once appropriately transferred to the rainy day fund, disbursements need only be for a use that is consistent with the intent of the rainy day fund and any previous statutory restrictions do not apply.
6. The determination concerning whether the purpose of a tax levy has been fulfilled should be based on an analysis of the specific provisions of the appropriate act and its stipulations concerning the purpose and use of the funds appropriated.